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ATTORNEYS FOR M&G JEWELERS, INC.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE:

**SEARS HOLDINGS CORPORATION, et al¹,

Debtor.**

Chapter 11

Case No. 18-23538-RDD

(Jointly Administered)

**LIMITED OBJECTION OF M&G JEWELERS, INC. TO DEBTORS' NOTICE OF
CURE COSTS AND POTENTIAL ASSUMPTION AND ASSIGNMENT OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH
GLOBAL SALE TRANSACTION**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

COMES NOW, M&G Jewelers, Inc. (“M&G”), creditor herein, and files this, its Limited Objection Of M&G Jewelers, Inc. To Debtors’ Notice Of Cure Costs And Potential Assumption And Assignment Of Executory Contracts And Unexpired Leases In Connection With Global Sale Transaction (the “Objection”) and respectfully shows as follows:

Factual Background

1. M&G is a party to a Service Agreement with Sears, Roebuck and Co. and Kmart Corporation (collectively, the “Debtors”) dated September 1, 2011. That agreement was thereafter amended on June 10, 2014 and September 1, 2017 (collectively, the “Service Agreement”). The Service Agreement presently expires on July 31, 2020. Pursuant to the Service Agreement, M&G provides services, repairs and maintenance of Debtor’s fine jewelry, watches and related products (the “Services”).

2. On October 15, 2018 (the “Petition Date”), the Debtors owed M&G the sum of \$543,521.95 for the Services under the Service Agreement.

3. M&G has continued to provide Services to the Debtors following the Petition Date.

4. On January 18, 2019, the Debtor filed its Notice of Cure Costs And Potential Assumption And Assignment Of Executory Contracts And Unexpired Leases In Connection With Global Sale transaction (the “Notice”). The Notice provided three separate entries relating to M&G:

No	Debtor Counterparty(s)	Counterparty Name	Contract Title	Contract Executed Date	Contract Expiration Date	Contract Number	Cure Amount
4547	KMART CORPORATION; SEARS, ROEBUCK AND CO.	M & G JEWELERS INC	RM-M AND G JEWELERS-SERVICE AGREEMENT-2011	9/1/2011	07/31/2020	SHCLCW4453	\$ 526,650
4548	KMART CORPORATION; SEARS HOLDINGS MANAGEMENT CORPORATION;	M & G JEWELERS INC	RS - M AND G - SEARS AND KMART INVOICING	9/1/2017	12/31/2020	CW2332318	\$ -
4549	SEARS, ROEBUCK AND CO.	M & G JEWELERS INC		9/1/2011	7/31/2020	SHCLCW4453	\$ -

(Notice, at p. 197 of 342).

Limited Objection

It seems obvious and M&G believes that Debtors intended to identify the Service Agreement and the cure amount of the Service Agreement as \$526,650, as reflected in line number 4547. M&G further believes that the inclusion of entries on line numbers 4548 and 4549 are superfluous or reflect only internal entries not assumable separately from the Service Agreement. (*e.g.*, there is only one Service Agreement and it is identified in line 4547). Otherwise, their meanings are unclear. For the sake of clarity, M&G does not oppose assumption of the Service Agreement or the associated cure cost of the Service Agreement as \$526,650, as reflected in line number 4547 but opposes any assumption connected with line number 4548 and/or line number 4549. M&G reserves all other rights.

WHEREFORE, PREMISES CONSIDERED, M&G respectfully requests that the Court enter an order sustaining their limited objection as identified herein and for such other relief to which it is justly entitled.

Dated: February 4, 2019.

Respectfully submitted,

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/s/ Russell W. Mills

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**ATTORNEYS FOR
M&G JEWELERS, INC.**

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the Notice of Reclamation Demand was electronically filed on this 4th day of February 2019, and served *via CM/ECF* on all parties requesting electronic notification in this case.

/s/ Russell W. Mills

Russell W. Mills